

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2322 - SB 2551

February 13, 2022

SUMMARY OF BILL: Authorizes a veteran who is determined by the United States Department of Veterans Affairs to have a service-connected disability that is considered to be “permanent and total” because of individual unemployability to receive a disabled veteran memorial license plate, upon compliance with registration laws, without having to pay a fee.

ESTIMATED FISCAL IMPACT:

**Decrease State Revenues – \$37,700/FY22-23 and Subsequent Years/Highway Fund
\$800/FY22-23 and Subsequent Years/General Fund**

Assumptions:

- Currently, one free vehicle registration is available to veterans with service-connected disabilities who meet the following criteria:
 - Loss or permanent loss or use of one or both feet;
 - Loss or permanent loss or use of one or both hands;
 - A permanent loss of vision in both eyes, dependent upon severity of visual impairment; or
 - Any other service-connected disability that is determined by the U.S. Department of Veterans Affairs to constitute a 100 percent permanent total disability.
- This legislation will increase the number of veterans eligible for disabled veteran license plates without having to pay a fee, resulting in a decrease in state revenue.
- According to the Department of Veterans Services, there are approximately 456,196 veterans in the state of Tennessee, making up 2.34 percent (456,196 / 19,465,698) of the United States veteran population.
- According to the data from the Department of Veteran Services, there are approximately 310,000 veterans nationwide who were paid individual unemployability benefits because of a service-connected disability that is considered to be permanent and total because of unemployability.
- For the purposes of this analysis, it is assumed that there are approximately 7,254 (310,000 x 2.34 percent) veterans in the state with a service-connected disability that is permanent and total resulting in unemployability.
- It is estimated that 20 percent, or 1,451 (7,254 x 20%) of veterans in the state with a service disability that is permanent and total, will register a passenger vehicle or motorcycle as a result of this legislation.
- The registration fee for a passenger vehicle is \$26.50.

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- A recurring decrease in state revenue of \$38,452 ($1,451 \times \26.50) in FY22-23 and subsequent years.
- Pursuant to Tenn. Code Ann. § 55-6-107(a)(1), such revenue shall be apportioned by a distribution of 98 percent to the Highway Fund and 2 percent to the General Fund.
- A recurring decrease of \$769 ($\$38,452 \times 2\%$) to the General Fund and \$37,683 to the Highway Fund ($\$38,452 \times 98\%$) in FY22-23 and subsequent years.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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